



OUTCOME
CAPITAL

2022 Life Science Consulting Sector

Market Trends, Dynamics & Opportunities

Reach the *Right Outcome*

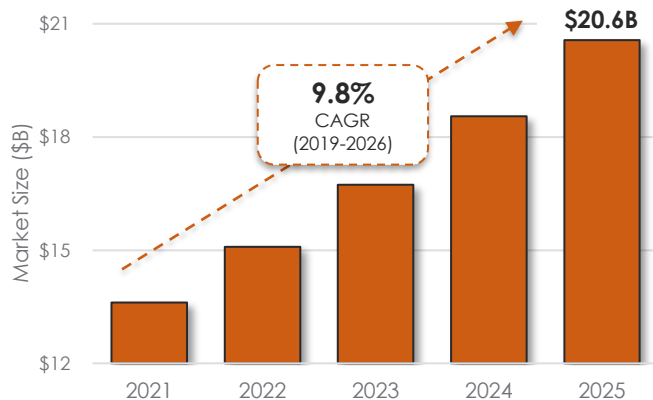


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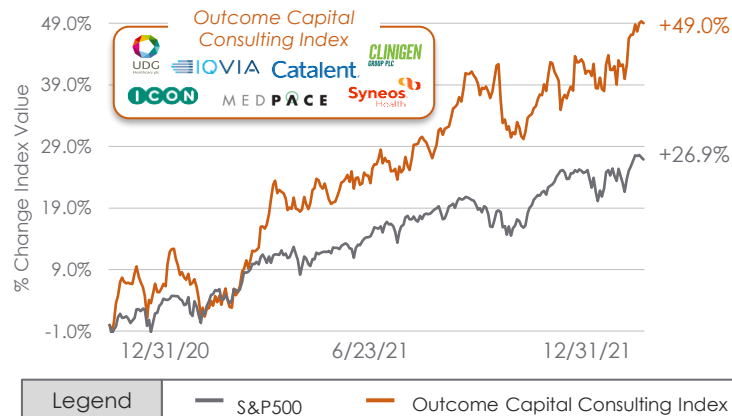


Increasing Demand For Industry-Specific Expertise

Global Healthcare Consulting Market



S&P 500 vs. Life Sciences Consulting Index



Increasingly Complex Regulatory & Reimbursement Landscape

- New regulations require increased price transparency
- State & federal entities enforce periodic, detailed pricing studies for healthcare/life sciences companies
- Payers, CROs & strategics seek to broaden in-house capabilities via niche acquisitions

Digital Revolution Upending Life Sciences Market Norms

- Connected devices & digital assets increase demand for sophisticated IT know-how
- Tech-focused companies seeking to enter life sciences market require nuanced strategic guidance
- Plethora of novel digital technologies drives heightened competition spurring outsized need for go-to-market/market access strategies

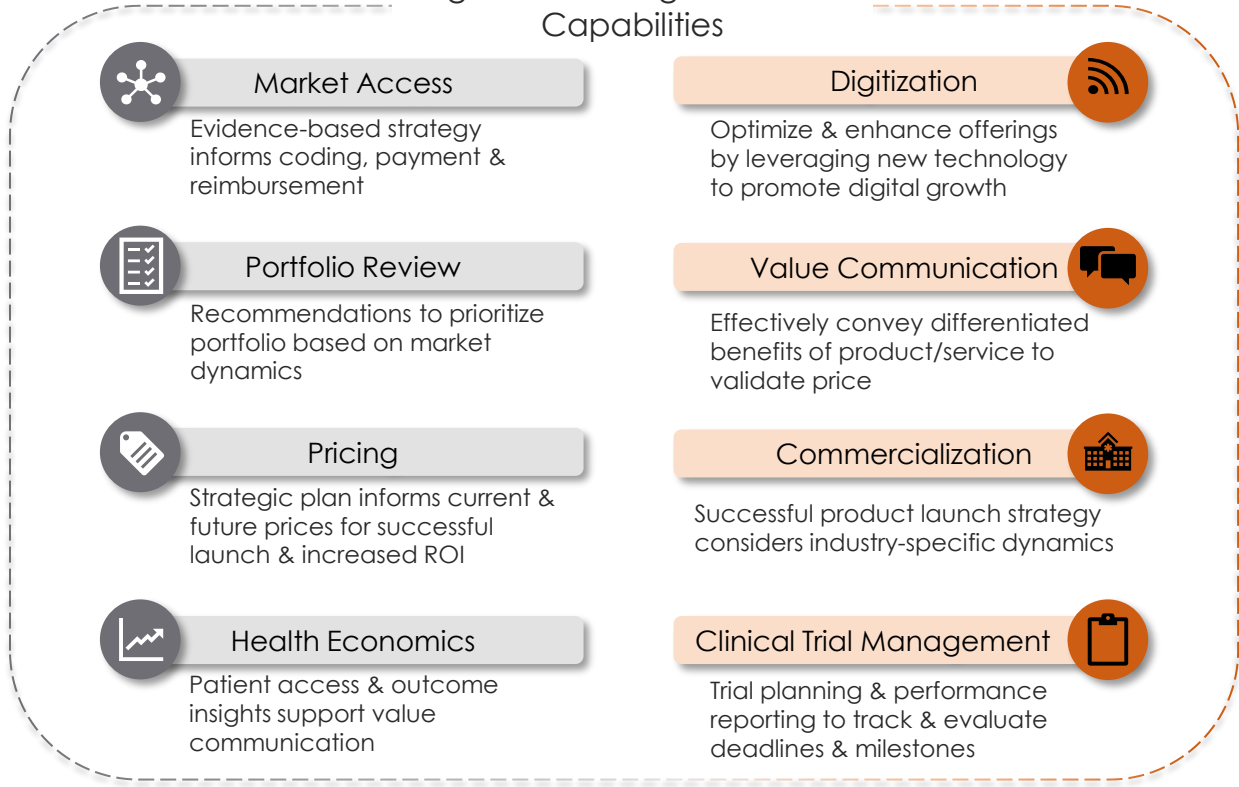
Value-based Care & Personalized Solution Challenges

- Precision medicine requires enhanced data analytics & patient reporting
- Remote Patient/Therapeutic Monitoring (RPM/RTM) companies require considerable health economic analysis
- Personalized care solutions struggle to substantiate additional costs & necessitate sophisticated value communication materials

Regulatory, Reimbursement & Technology Advances Sparks Outsized Consulting Demand

Differentiated Expertise & Client Base Drives Transaction Value

High Value & High Demand Capabilities



Sought-After Experts

- › Practicing KOL's
- › Regulatory Experts
- › Marketeers
- › Business Strategists
- › Former Executives
- › Scientific Expertise
- › Payer Knowledge
- › Reimbursement Specialists

Desired Client Base

- › Large-Cap Biopharma
- › Venture Capital / Private Equity
- › Blue-Chip MedTech
- › Health Care Plans
- › Government
- › Hospitals / Care Centers

Engagement Drivers

- › Established Brand
- › Operating Margins
- › Client Base
- › Payor/KOL Network
- › Sector Expertise
- › Intellectual Property
- › Digital Solutions
- › Innovation Strategy

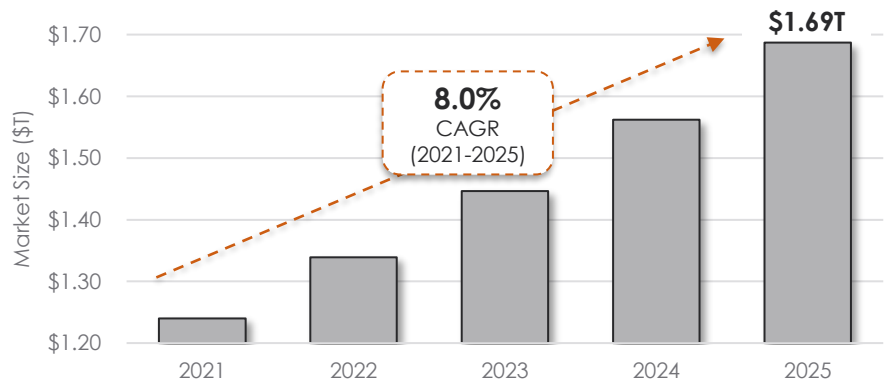
Strategy Development Strategy Execution

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High Value Biopharma Assets Require Careful Strategic Planning

Global Pharmaceuticals Market



Pharmaceutical & Biotechnology Industry Dynamics

>45%

Increase in Active Clinical Trials (2017-2021)

>75%

Mid/Large Pharma Groups Outsourced Health Economics Research Services (2019)

- Pricing Pressures
- Shifting Reimbursement Models
- Impending Patent Expirations
- Increase in Partnerships

>20%

Increase in Biotech R&D Spend (2020)

High-Demand Pharma & Biotech Services

- ✓ Data & Analytics Strategy
- ✓ Pipeline Prioritization
- ✓ Regulatory Affairs
- ✓ Pricing & Reimbursement
- ✓ Trial Design & Development
- ✓ Real World Evidence

Select Pharma/Biotech Groups Utilizing Outsourced Services

Growing Innovation Promotes Competition; External Resources Utilized For Sector-Specific Expertise

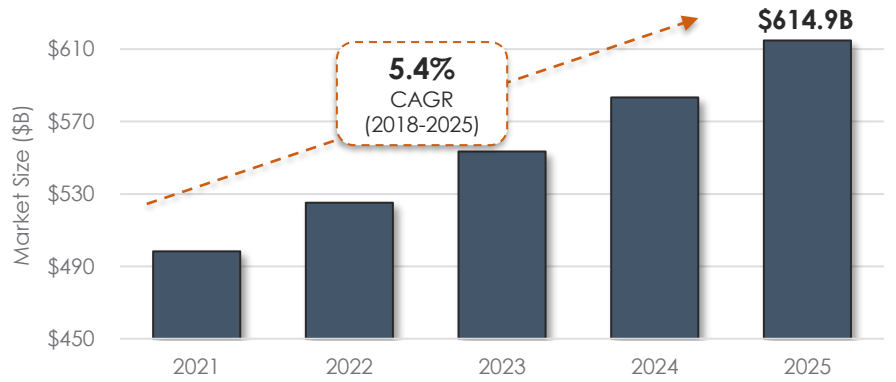
Source: AP News, Research & Markets, Beroe, Inc., Grand View Research

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Digital Solutions Driving Renewed MedTech Investment

Global MedTech Market



MedTech Industry Dynamics

>47%

Increase in MedTech Venture Financing (U.S., 2018-2020)

>29%

Increase in FDA-Approved Innovative Medical Devices (2018-2020)

>60%

MedTech R&D Budget Spent on New Product Development (2020)

>20%

Increase in MedTech Digital Transformation Funding (2019-2020)

High-Demand MedTech Consulting Services

- Market Assessment
- Regulatory Affairs
- Technology Solutions
- Value Communication
- Commercialization Strategy
- Product Life Cycle Planning

Select MedTech Groups Utilizing Outsourced Services



Digital Transformation Across MedTech Requires Nuanced Launch Planning & Commercialization

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Acquirers Span Strategic & Financial Continuum



Consulting Groups

General

Life Science-Focused

Rationale

Maintain market leadership through adding capabilities & subject-matter expertise.

CROs

Rationale

Complement existing services for end-to-end offering.

Private Equity

Rationale

Optimize profitability to position for strategic exit.

Dual Strategic & Financial Interests Broadens Consolidator Base & Drives Purchase Price Values

Thoughtful Transactional Positioning Provides Optionality



Team

- › Will subject matter expertise be retained post-transaction?
- › What "life" do founders/partners seek after the transaction?
- › Are mid/senior executives properly incentivized to stay with the platform?
- › Is compensation aligned with market norms?



Efficiency

- › Is the business currently profitable/efficient?
- › Can the business increase revenue/ earnings without additional resources?
- › Are all projects / capabilities equally profitable?



Potential

- › Is top-line revenue accelerating, decelerating or plateauing?
- › Has the business reached capacity without outside capital or inorganic growth opportunities?
- › Could the business benefit from a more refined strategic focus?

Select Transaction Considerations

- › Immediate Liquidity Needs
- › Succession Planning
- › Retained "Upside"
- › Tax Implications
- › Culture / Benefits
- › Retention & Earn Out

Select Transaction Options

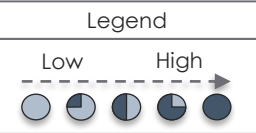
- › Strategic & Private Equity
- › Unit Divestiture
- › Platform & Bolt-On Structure
- › Growth Capital Investment
- › Minority / Majority Recapitalization
- › Merger

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Transaction Value Driven By Myriad Considerations

	Operational Efficiency				Talent & Presence			
Consideration	Trending Revenue	Profitability	Worldwide Capabilities	Digitized Offering	Back Office Capacity	Long-Term Clients	Tenured Consultants	Brand Recognition
Description	Accelerating top-line revenue signifies strong demand & effective business development functions	Strong margins at the business, client & project levels confirm pricing strategy	US, EU & APAC reach sought-after by multi-national strategics	Leverage data & analytics to provide meaningful insights & support client growth	High-quality support for senior management & consultants ensures successful client outcomes.	Establish master service provider contracts for potential recurring revenue opportunities for buyer.	Offer industry experience & sector-specific expertise for targeted solutions that encompass market dynamics.	Strong market presence & awareness allows for platform acquisition positioning
Value Impact								



Thoughtful Market Alignment, Transaction Preparation & Positioning Yields Maximized Shareholder Value

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Financial Sponsors Seek Opportunity To Create Value

 ximedica Target	 Buyer	6/17/2021 Date	Undisclosed Size	Three life sciences solutions providers encompassing design & engineering, regulatory, clinical & market access into a single-source solution. Target Description
 Target	 Buyer	5/13/2021 Date	\$3.7 Billion Size	Leading provider of advisory, communications, commercial, clinical & packaging services to pharmaceutical & biotechnology companies. Target Description
 Target	 Buyer	9/22/2020 Date	Undisclosed Size	Global provider of regulatory, compliance, pharmacovigilance & medical information services for companies in the life sciences sector. Target Description
 Target	 Buyer	8/11/2020 Date	\$234 Million Size	Global healthcare-focused advisory firm providing scientific, commercial advisory & digital delivery services to the medical device, biotech & diagnostics sectors. Target Description









Outcome Capital Acted as Strategic & Financial Advisor on Transaction

Private Equity Groups Assign Premium Value To Differentiated Life Sciences Services

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Transformative Transactions Alter Industry Dynamics

 Target	 Buyer	5/1/2021 Date	Undisclosed Size	Life sciences consultancy providing regulatory information management services to increase interoperability, data consistency & regulatory compliance. Target Description
 Target	 Buyer	4/1/2021 Date	\$375 Million Size	Consulting & research group offering commercial planning, medical affairs & data analytics services for companies in the life sciences sector. Target Description
 Target	 Buyer	3/3/2021 Date	Undisclosed Size	Global consulting firm providing strategic product development & regulatory support to companies in the biopharma sector. Target Description
 Target	 Buyer	5/22/2019 Date	\$89 Million Size	Strategic management consultancy focused on product commercialization services exclusively for biopharma, diagnostics & medical device clients. Target Description

Previous Acquisitions Validate Demand For Expanded Service Offerings & Enhanced Market Position

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Consulting Case Study: Boston Healthcare Associates, Inc.



Business Description

Industry

Life Sciences / Healthcare Services

Vertical

Life Sciences Consulting

Offerings

Strategy consulting services tailored to biopharma, medical device, diagnostics & digital health sectors

Differentiation

Multi-disciplinary market access approach & broad payor network unlocks value based on clinical evidence, policy frameworks, reimbursement coding & health economics

Transaction Challenges

Status

With a strong track record, numerous blue-chip clients & premier consultants, BHA reached an inflection point & owners sought a partner offering a growth platform

Market Dynamics

Heavy consolidation underway in life sciences consulting industry as large strategics, CROs & private equity compete for portfolio enhancement

Challenges

As a family business transition to a new generation, BHA sought to maximize both short liquidity & long-term value creation

The Outcome Way

Strategic Insight

Outcome leveraged BHA's differentiated subject matter expertise to emphasize their value in a dynamic & complex reimbursement environment

Exit Strategy

Outcome analyzed industry demand & capital market trends to identify potential acquirers across the consulting, CRO & private equity universes

Process

Outcome drove a competitive process by identifying buyer-specific synergies to demonstrate BHA's unique value-add across a broad buyer universe

Outcome Effectively Communicated Strategic & Financial Value Of BHA Resulting In High-Value Exit

Consulting Case Study: Boston Healthcare Associates, Inc.



Has been acquired by



A Portfolio Company of



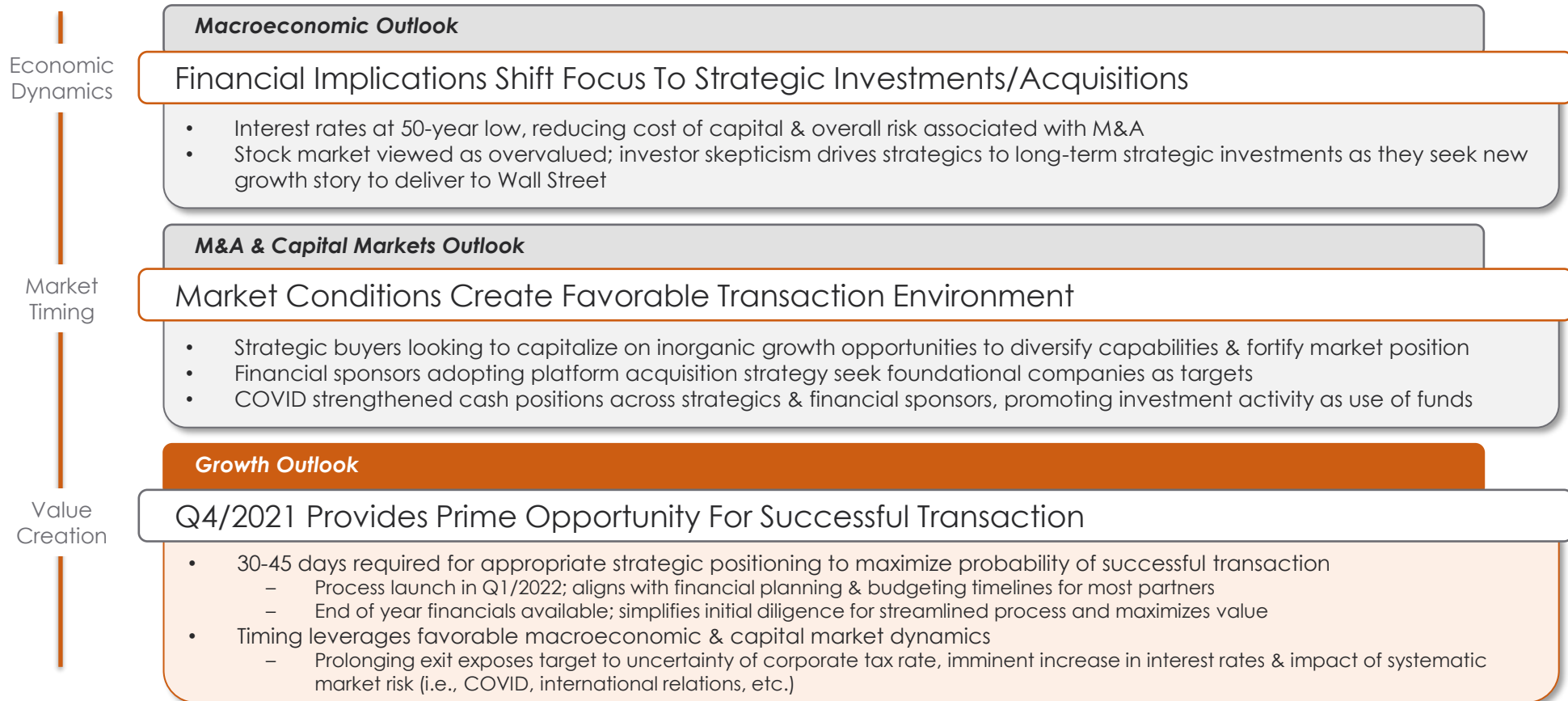
As a dedicated life sciences investment banking group, Outcome leveraged their industry knowledge in positioning BHA in the market and deftly communicated the value we offer our clients to our transaction partner. Their ability to execute alone was worth their value considering the volume of work they took on, but as a CEO it was their patient demeanor balanced by their tenacious attitude that I will remember. By the end of the transaction, I was thankful for each member of our deal team at Outcome Capital and the value they offered.

Joseph Ferrara
CEO, Boston Healthcare Associates
(acquired by Veranex via Summit Partners)

I knew Outcome by reputation, and they were the only group I felt comfortable engaging with. What they provided exceeded my family's expectations not only in value, but also in their conduct and earnestness. It was a pleasure doing business with Outcome Capital.

Andrew Ferrara
Chairman, Boston Healthcare Associates
(acquired by Veranex via Summit Partners)

External Dynamics Drive Prosperous M&A Market



Optimal Value Creation Opportunity Available For Middle Market Life Sciences Consulting Practices

Life Science Consulting Transaction Team



Arnold Freedman

- >25 years operational and life sciences investment banking experience
- Expertise in M&A transactions and private placements of debt and equity
- Extensive financing and restructuring experience advising clients on corporate structure and operations
- Previously IBCS, Rustel, Boston Equity Advisors



Oded Ben-Joseph, PhD

- >20 years experience in life sciences; unique combination of executive, scientific and transactional expertise
- Specializes in aligning companies with sector dynamics and capital markets, capital-efficiency and value creation
- Previously Ester Neuroscience, Excel Medical, Oxford Bioscience Partners, XableCath



Thomas Busby, MBA

- 10 years operational and financial experience
- Medtech, diagnostics, biopharma & services transactional experience
- Specializes in value communication; strategic positioning; financial analysis
- Sought-after panelist, moderator & board member for Life Science trade groups



Nicholas Frame, PhD

- Extensive life sciences strategy & research experience
- Broad exposure/knowledge of novel and cutting-edge life sciences innovations
- Seasoned market expertise traversing financial/scientific dynamics underpinning product/market fit strategies



Elena Bonetti

- Facilitates in-depth public/private capital market research across verticals
- Identifies/analyzes key M&A value drivers, trends and deal structures
- Experienced transactional specialist managing organizational, administrative and execution-related activities



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